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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re

LEEWARD HOTELS, L.P.,

Debtor,

Chapter 11

Case No. 99-9162-ECF-GBN

**OBJECTIONS OF RAMADA
FRANCHISE SYSTEMS, INC. AND
DAYS INNS OF AMERICA, INC. TO
DEBTOR'S DISCLOSURE STATEMENT**

Ramada Franchise Systems, Inc. ("Ramada") and Days Inns of America, Inc. ("Days Inns"), by and through their undersigned attorneys, for their objections to the Disclosure Statement of Debtor Leeward Hotels, L.P. (the "Disclosure Statement" and the "Debtor", respectively), respectfully say:

1. Section III(B) states that each of the Limited Partnerships defined in the Debtor's proposed Chapter 11 Plan of Reorganization (the "Plan") conveyed to the Debtor, among other things, all their rights, title and interest in and to their respective hotel properties in exchange for a limited partnership interest in the Debtor. The Limited Partnerships include, among others, (i) Las Cruces Inn Hotel, L.P., which was and remains the licensee of record for the Las Cruces,

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BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

1 New Mexico Days Inn being operated by the Debtor, (ii) Abilene Inn Hotel, L.P., which was and
2 remains the licensee of record for the Abilene, Texas Ramada being operated by the Debtor, and
3 (iii) Round Rock Hotel, L.P., which was and remains the licensee of record for the Round Rock,
4 Texas Ramada being operated by the Debtor. Ramada and Days Inns object to this provision of
5 the Disclosure Statement because the Disclosure Statement fails to disclose that such transfers to
6 the Debtor, which occurred without the consent of Ramada and Days Inns, were in violation of
7 section 9 of each of the Ramada and Days Inns license agreements for these hotels and constitute
8 grounds for termination of said license agreements. (See relevant portions of the license
9 agreements annexed hereto as Exhibits A - C)

10 2. Section III(B) further states that Hotel Capital Holdings L.L.C. transferred to the
11 Debtor, among other things, all its right, title and interest in and to the Albuquerque, New
12 Mexico Ramada hotel, which is being operated by the Debtor. The licensee of record for the
13 Albuquerque, New Mexico Ramada was and remains Hospitality Investment Associates
14 (Albuquerque J.V.). Ramada objects to this provision of the Disclosure Statement because the
15 Disclosure Statement fails to disclose that such transfer to the Debtor, which occurred without
16 the consent of Ramada, was in violation of section 17 of the Ramada license agreement for the
17 Albuquerque, New Mexico Ramada hotel property and constitutes grounds for termination of
18 said license agreement. (See relevant portions of the Ramada license agreement annexed hereto
19 as Exhibit D)

20 3. Section XII provides that the Debtor will assume all of the executory contracts listed
21 on Exhibit I to the Disclosure Statement. Among the executory contracts listed on Exhibit I are
22 the Ramada and Days Inns license agreements for the Las Cruces, New Mexico Days Inn, the
23 Abilene, Texas Ramada, the Round Rock, Texas Ramada, and the Albuquerque, New Mexico
24 Ramada. Ramada and Days Inns object to this provision of the Disclosure Statement, because it
25 fails to disclose that the Debtor was never a licensee under the subject Ramada and Days Inns
26 license agreements. Because the Debtor is not a party to the aforesaid executory license
27 agreements, the Debtor cannot assume such agreements under its Plan.


1 4. Ramada and Days Inns further object to the Disclosure Statement, because it does not
2 disclose (i) the existence of the Adversary Proceeding recently filed by Ramada and Days Inns
3 against the Debtor and its affiliate Kilburg Hotels, L.L.C., by which Ramada and Days Inns seek,
4 among other things, injunctive relief, accountings by the Debtor for its unauthorized pre- and
5 postpetition use of the respective Ramada and Days Inn franchise systems, payment for such use
6 of the franchise systems based on the doctrine of *quantum meruit*, and a determination that the
7 Debtor is not a licensee of Ramada or Days Inns, and (ii) does not analyze or otherwise discuss
8 the potential financial implications of the Adversary Proceeding on the estate.

9 WHEREFORE, Ramada and Days Inns respectfully request that the Court sustain the
10 above objections to the Disclosure Statement and deny approval thereof.

11 Dated this 3rd day of January, 2000.

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27 Copy of the foregoing mailed
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

NOTICE THAT EXHIBITS TO THIS ELECTRONICALLY FILED DOCUMENT ARE
NOT ATTACHED.

There were one or more exhibits and/or other attachments filed with this pleading that consisted of pages too numerous for the clerk to scan and electronically file as part of the pleading. Paper copies of these exhibits are maintained at the Office of the Clerk. They may be reviewed at that office 9:00 a.m. to 4:00 p.m., Monday to Friday, at 2929 North Central Avenue, Ninth Floor, Phoenix, Arizona, or you may arrange to obtain copies from the filing attorney.

KEVIN E. O'BRIEN
CLERK OF COURT